



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20483

July 6, 2009

VIA FAX AND FIRST CLASS MAIL

Brian G. Svoboda
Perkins Coie, LLP
607 Fourteenth Street, N.W.
Washington, DC 20005-2011
FAX: 202.434.1690

RE: MUR 6150 (Shannon for Congress Committee and Joseph Gyarmathy, in His Official Capacity as Treasurer)

Dear Brian:

On June 24, 2009, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 2 U.S.C. §§ 441b(a), 434(b), and 432(d), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1341.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Columbo", is written over a horizontal line.

Michael A. Columbo
Attorney

Enclosure
Conciliation Agreement

29044250507

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 6150

**Joseph Shannon for Congress Committee
and Joseph A. Gyarmathy, in his official capacity
as treasurer**

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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Joseph Shannon for Congress Committee and Joseph A. Gyarmathy, in his official capacity as treasurer, ("Respondents" or "Committee") violated 2 U.S.C. §§ 441b(a), 434(b), and 432(d).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

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BACKGROUND

1. Joseph Shannon for Congress Committee was the principal campaign committee of Joseph Shannon for his 2006 campaign for the United States House of Representatives for the 13th District of Illinois.

2. Joseph Shannon was a candidate in two elections during the 2006 campaign: the Democratic primary election on March 21, 2006, and the general election on November 7, 2006.

3. Joseph A. Gyamathy is the treasurer of JSCC.

RECEIPT OF PROHIBITED CORPORATE CONTRIBUTIONS

4. The Act prohibits the making and knowing receipt of corporate contributions. See 2 U.S.C. § 441b(a).

5. A review of all of the Committee's contribution records from 2006 revealed that it received six corporate contributions, totaling \$3,350, prohibited by 2 U.S.C. § 441b(a).

MISSTATEMENT OF FINANCIAL ACTIVITY

6. Each treasurer of a political committee must file reports of receipts and disbursements with the Commission. 2 U.S.C. § 434(a); 11 C.F.R. § 104.1. These reports must accurately reflect the committee's cash on hand, receipts, and disbursements. 2 U.S.C. § 434(b)(1), (2), and (4).

7. In its 2006 reports, the Committee failed to report \$5,200 in in-kind contributions, failed to report \$7,047 in receipts, and reported \$23,154 in receipts that were not supported by a deposit or credit. Furthermore, the Committee failed to report \$18,612 of operating expenses, incorrectly reported a \$270 disbursement, and reported \$44,024 in disbursements that were not supported by a debit or check. The Committee also understated its year-end cash on hand

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1 balance by \$17,582, of which \$8,179.43 was not attributable to its misstatements of receipts and
2 disbursements.

3 **INADEQUATE DISBURSEMENT DISCLOSURE**

4 8. When operating expenditures to the same person exceed \$200 in an election cycle,
5 the treasurer of a political committee must file reports accurately disclosing the name and address
6 of the payee as well as a brief description of the purpose of the expenditure. See 2 U.S.C.
7 § 434(b)(5)(A).

8 9. A review of Respondents' records from 2006 revealed that for 56 disbursements
9 (totaling \$160,391) that were over \$200, JSCC failed to disclose any purpose whatsoever, and/or
10 failed to disclose a payee address or disclosed a payee address that was inaccurate, in violation of
11 2 U.S.C. § 434(b)(5)(A).

12 **FAILURE TO MAINTAIN RECORDS**

13 10. Political committees must maintain copies of contribution checks. 2 U.S.C.
14 § 432(d).

15 11. Respondents failed to maintain copies of contributor checks for 35 contributions
16 (totaling \$30,775) in violation of 2 U.S.C. § 432(d).

17 **V. Respondents committed the following violations:**

18 1. Respondents violated 2 U.S.C. § 441b(a) by knowingly receiving \$3,350 in
19 prohibited corporate contributions.

20 2. Respondents violated 2 U.S.C. § 434(b) by failing to accurately report its receipts,
21 disbursements, and cash on hand.

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1 3. Respondents violated 2 U.S.C. § 434(b) by failing to report the purpose of its
2 disbursements.

3 4. Respondents failed to maintain copies of contributor checks for 35 contributions
4 (totaling \$30,775) in violation of 2 U.S.C. § 432(d).

5 5. The Commission does not allege and there is no finding that Joseph Shannon
6 engaged in any wrongdoing in connection with alleged campaign violations.

7 VI. In ordinary circumstances, the Commission would seek a civil penalty of \$39,000
8 based on the violations outlined in this agreement as well as the mitigating circumstances,
9 including that the Committee has hired a C.P.A., corrected its records, and amended its reports
10 filed with the Commission, as directed by the Commission's auditors. However, the
11 Commission is taking into account the fact that the Committee is defunct, has no cash on hand,
12 and has a limited ability to raise any additional funds. Respondents will pay a civil penalty to
13 the Federal Election Commission in the amount of Five Thousand Dollars (\$5,000), pursuant to
14 2 U.S.C. § 437g(a)(5)(A).

15 VII. Respondents will cease and desist from violating 2 U.S.C. § 441b(a), 2 U.S.C.
16 § 434(b), and 2 U.S.C. § 432(d).

17 VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
18 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance
19 with this agreement. If the Commission believes that this agreement or any requirement thereof
20 has been violated, it may institute a civil action for relief in the United States District Court for
21 the District of Columbia.

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1 IX. This agreement shall become effective as of the date that all parties hereto have
2 executed same and the Commission has approved the entire agreement.


3 X. Respondents shall have no more than 30 days from the date this agreement becomes
4 effective to comply with and implement the requirements contained in this agreement and to so
5 notify the Commission.

6 XI. This Conciliation Agreement constitutes the entire agreement between the parties on
7 the matters raised herein, and no other statement, promise, or agreement, either written or oral,
8 made by either party or by agents of either party, that is not contained in this written agreement
9 shall be enforceable.

10
11 FOR THE COMMISSION:


12 Thomasenia P. Duncan
13 General Counsel

14 BY:

15 
16 Ann Marie Terzeken
17 Associate General Counsel
for Enforcement

7/1/09
Date

18 FOR THE RESPONDENTS:

19 
20 (Name) Joseph B. Gyarmathy
21 (Position) Treasurer, Joseph Shannon
for Congress Committee

May 27, 2009
Date

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